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TAGS: [PGOV](#) [PREL](#) [UP](#)
SUBJECT: PARTY OF REGIONS APPEARS UNITED FOR EARLY ELECTION

Classified By: Ambassador William Taylor for reasons 1.4 (b,d).

SUMMARY

11. (C) The Party of Regions appears united around the upcoming election challenge. Fundraising and organizing for the pre-term election started in early September. Deputies will soon start heading to the oblasts for campaigning. Regions expects to increase its share of Rada seats by focusing its campaign on pocketbook issues. Regions remains open to a post-election coalition with Yushchenko's forces in the Rada, but not with Tymoshenko. End Summary.

UNITING FOR THE ELECTION

12. (C) The Party of Regions appears united in the face of pre-term parliamentary elections scheduled for December 7th. Regions Deputy faction leader Hanna Herman told us that rumors of competing factions within the party are propaganda written by journalists close to Prime Minister Tymoshenko. She denied reports that Oligarch Rinat Akhmetov provides most of the funding for the party and said the party has many contributors, none of which provide a majority of funding. She said Regions has the most democratic internal structure of the major parties because it allows all members to voice their opinions and seeks consensus. She noted that differences of opinion within a party are normal and not a sign that a break-up of Regions is likely. Regions MP Volodimir Makiyenko agreed that the prospect of an election has brought people in the party closer together.

ELECTION PLANNING AND FUNDRAISING STARTED WEEKS AGO

13. (C) Regions began organizing and collecting funds for elections soon after the September 2nd vote by the Our Ukraine-People's Self Defense (OU-PSD) bloc to leave the governing Orange coalition. After OU-PSD's announcement Regions started organizing their campaign team. Herman said Regions is weeks ahead of other parties in getting people on the ground in oblasts outside of Kyiv. She stressed that Regions is able to fund and run a high profile campaign throughout the country. Regions is holding party meetings October 10 to assign MPs to specific oblasts, so that campaigning can begin in a few days. Makiyenko said he expects this to be the last week for any substantial work to be done in the Rada because many Regions MPs will be out of Kyiv campaigning until the election.

ELECTION MEANS MORE SEATS FOR REGIONS

14. (C) Regions MPs tell us they are confident that the party can improve on its first place showing in last year's election. Herman said the campaign would focus on pocketbook issues important to the average Ukrainian. While support for making Russian an official language and opposition to NATO

membership without a referendum are still part of Regions' election platform, these issues will not be a focus of the campaign. Herman said Regions will do well at the polls because economic issues are most important to voters now and people trust Regions to run the economy. Tymoshenko will take an electoral hit because of the downturn in the Ukrainian economy and she overestimates her popularity. Herman said that Regions plans to expand its campaign in Western Ukraine because it believes it can win new votes there by focusing on economic issues. Herman dismissed the idea that Presidential Chief of Staff Victor Baloha's United Center party, or Kyiv Mayor Leonid Chernoviyetsky's party would cross the 3 percent threshold. The Rada would have the same parties represented as it does now, with the exception of Lytvyn who was too close to call, except that the balance of seats would be shifted in Regions' favor.

POST-ELECTION COALITION WITH YUSHCHENKO DESIRABLE

15. (C) Herman heaped praise on President Yushchenko and called him a "man of principle." She said that while Regions and Yushchenko did not agree on everything, the differences could be worked out. After the election Regions preference was for a coalition with Yushchenko because it is the only way to get past the regional divides in Ukraine and focus on making life better for the average Ukrainian. What was most important is that Yushchenko is trustworthy. Herman harshly criticized Tymoshenko calling her duplicitous, unstable, and power hungry. She said that recent negotiations with Tymoshenko to form a governing coalition broke down quickly because minutes after Tymoshenko left cordial meetings with Regions leaders she appeared on television calling them bandits and outlaws. Herman said that Regions would not make the mistake of trying to make a deal with "that devil" again.

COMMENT

16. (C) While Party of Regions has differing factions, the snap election should keep the party together in the near-term. The major players understand that they have more power together as a group than they would have apart. If Regions is as prepared as they claim for the election, it would give them a significant advantage over Yushchenko's disintegrating bloc and Tymoshenko's forces. It remains to be seen if Regions really will focus on pocketbook issues instead of falling back on rhetoric about Russian language and campaigning against NATO membership. Last year it broke its word to Yushchenko not to raise the issue when polls anticipated low turnout and they saw smaller parties, like the Vitrenko Bloc (a hard-core pro-Russia, anti-NATO group), gaining traction with a similar message. Herman's praise for Yushchenko echoes that of both Party leader Yanukovych and Oligarch Akhmetov. Regions hopes for a post-election deal with Yushchenko could also serve to moderate Regions' line on NATO accession.

TAYLOR